

VILLAWOOD TOWN CENTRE

Retail Demand Assessment



Prepared for Traders in Purple

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Report Details

Job Number	C21021
Version	Final
File Name	Villawood town centre retail demand assessment
Date Printed	18 September 2020

EXECUTIVE SUMMARY

HillPDA was commissioned by Traders in Purple (Client) to undertake a retail demand assessment pertaining to a Planning Proposal which seeks to rezone land located at 27-29 Villawood Road and 2-14 Kamira Avenue (subject site). Specifically, the Planning Proposal seeks to allow retail tenancies greater than 1,000sqm which are not permissible in the current LEP. The Planning Proposal would allow a mixed use development with ground floor commercial uses, including a supermarket, and approximately 400 residential apartments.

It is intended that this retail space consist of a supermarket and “eat street” which currently are either undersupplied or lacking in the town centre. The exact provision and possible composition of this commercial/retail space is the subject of this report.

Recent planning amendments by Fairfield Council have increased development heights within the existing Villawood local centre B2 – Local Centre zoning and subject site. This has increased the potential residential dwelling capacity of the centre, including the subject site, by upwards of 1,385 dwellings.

Further to this, Fairfield Council has recently proposed further planning amendments to surrounding residential areas, increasing surrounding development capacity (please refer to Figure 2). We have estimated that these amendments if fully realised, have the potential to increase the resident population surrounding the town centre by just over 9,350 residents.

Considering this significant uplift in population, there is a clear need to understand the future retail needs of Villawood town centre’s surrounding community. This will ensure their needs are sufficiently met, reducing the need to travel to surrounding centres to access essential services. This is a clear planning direction of Fairfield Council and NSW Departments of Planning, Infrastructure and Environment (NSW DPIE) in their 30-minute concept.

The purpose of this report is to assess the retail demand resulting from Villawood town centre’s surrounding community and provide advice on what is an appropriate amount/mixture that the subject site could provide. The report also explores the demand for childcare services which would also be provided on-site.

Commercial and retail demand

Having consideration as to the surrounding retail network, it is estimated that Villawood town centre’s main trade area (MTA) has a resident population of around 19,670 in 2020. This trade catchment of around 20,000 persons in 2020, incidentally corresponds to Villawood’s identified role and function as a local centre within Fairfield’s 2015 adopted Centres Study. This study identifies a local centre as typically serving a trade catchment of around 20,000 persons and providing 5-10,000sqm of retail space. Over the next 16 years, the resident population of the MTA is forecast to increase by around 5,620 persons, reaching a total of 25,290 residents.

There is also a non-resident workforce of around 1,765 persons currently working in Villawood town centre and its Secondary Trade Area East, which consists of Leightonfield Station employment precinct. These workers would contribute some expenditure to Villawood town centre and hence the demand for services. This non-resident workforce is forecast to increase to around 2,120 workers by 2036.

In 2020, these residents and workers are estimated to generate a total of \$208 million in retail spend, increasing to around \$302 million by 2036. However, not all of this expenditure will be captured by retailers in Villawood town centre for various reasons detailed in Section 4.1.

By applying various capture rates to this expenditure, by specific retail types, it is estimated that retailers in Villawood town centre could potentially achieve total retail sales of around \$88 million in 2020, increasing to \$116 million by 2030 and \$134 million by 2036.

Demand for retail floorspace, target turnover rates (\$/sqm of retail floorspace, and otherwise known as Retail Turnover Densities (RTDs)) are applied to projected retail expenditure captured by Villawood town centre. A further 20% of shop front space was added to accommodate non-retail commercial uses such as financial, travel, medical and real estate services as well as 2 or 3 vacancies at any one time.

Using this methodology, it is estimated that Villawood town centre could potentially support up to 12,400sqm NLA of total floorspace in 2020, increasing to 15,500sqm NLA by 2030 and 17,350sqm NLA by 2036.

Villawood town centre currently provides a total of around 4,800sqm NLA of commercial and employment space with a further 1,340sqm under development. Our demand modelling suggests that the centre could support around 12,400sqm of commercial and retail space. This indicates that the centre has a current undersupply of around 7,600sqm. With the development of Maple Village, this deficit is still forecast to increase to around 9,350sqm by 2030 and just under 11,200sqm by 2036.

This undersupply may encourage residents to travel greater distances to access essential commercial and retail services. This decreases the viability and vibrancy of Villawood town centre while also having negative impacts on social cohesion and the environment. Development of the subject site to include retail and commercial services can contribute to the centre meeting some of this unmet demand, helping retain expenditure within the MTA, increase the centre's vibrancy and viability while also providing the type and quantity of services required to appropriately service the surrounding community.

Furthermore, the subject site is located just off the main road and in proximity to existing retailers. This location was identified in Fairfield's Villawood town centre Urban Design Study 2017 as being an ideal location for an anchor tenant. This location would be suited for a main retail anchor with the creation of a supportive retail hub and vibrant eat street.

Commercial and retail recommendation for subject site

Villawood centre currently provides around 2,250sqm NLA of FLG space. Our demand modelling suggests that the centre could support 4,400sqm of associated FLG space. This implies that there is a current undersupply of around 2,200sqm. Due to population growth in the trade area this undersupply will increase to around 4,000sqm by 2036 if there is no increase in supply.

This implies that the subject site could support a full-line supermarket (3,000-3,500sqm) with an ancillary liquor store. These uses would form an additional anchor tenant for the centre, provided an identified need and increasing visitation rates to the centre.

The proposed supermarket could be supported by 1,000-1,500sqm of food catering space such as cafes, restaurants and take-away uses; 800-1,200sqm of non-food and personal services space and a further 1,000-1,200sqm of non-retail uses such as a gym, child care, community and medical services. This would result in between 6,000-7,600sqm NLA of commercial and retail space being provided on-site, increasing to around 6,600-8,400sqm GFA.

The addition of 6,000-7,600sqm of space within the centre would still leave around a residual shortfall of between 3,600-5,190sqm by 2036. This highlights that if the proposed 6,000-7,600sqm NLA was provided on-site, there would still be a demand for additional space to be developed elsewhere in the centre. Hence development of the site would not be creating an oversupply, adversely affecting other uses or development in the centre.

Childcare demand assessment

A childcare audit within five kilometres radius (study area) around the subject site was undertaken. This found 157 childcare facilities providing a total of around 7,275 childcare spaces. There are a further 11 proposed facilities with a total approved capacity of 714 spaces.

Within this study area, there are an estimated 25,290 residents aged 0-4 years in 2020. This is forecast to increase to around 27,910 residents by 2036. Demand for childcare spaces has been estimated at 1 space per 3 residents aged 0-4 years. Applying this benchmark to the study areas population reveals demand for 8,430 childcare spaces in 2020, increasing to 9,300 places by 2036.

Currently, there are 7,275 childcare spaces provided in the study area resulting in a deficit of 1,115 space. Even with some additional supply coming online with population growth, this deficit increases to almost 1,315 spaces by 2036.

The subject sites locational attributes (being close to transport, community and other services) provide an opportunity for it to provide childcare services helping the locality meet some of this deficit without oversupplying the area, adversely affecting existing and proposed facilities.

Conclusion

It is Hill PDA's view that the Villawood project should be structured to include a full line supermarket (including liquor) as well as a child care centre and other supporting retail and service premises as our analysis confirms the following:

- There is a trade gap or undersupply of FLG space in the locality;
- Forecast project completion of 2024 would align it with FLG sales of around \$62 million and growing at 2.4% per annum;
- With a main trade area of more than 20,000 and more than 1,700 workers within walking distance there is ample demand for a full-line supermarket with supporting retail
- Woodville Road past the site is the main arterial road between the Hume Highway & Parramatta Road.
- The proposal is strongly consistent with transit orientated development principles of providing high density living, retail services and jobs close to railway stations and other high serviced public transport nodes.

INTRODUCTION

1.0 INTRODUCTION

HillPDA was commissioned by Traders in Purple (Client) to undertake a retail demand assessment pertaining to a Planning Proposal which seeks to rezone land located at 27-29 Villawood Road and 2-14 Kamira Avenue (subject site). Specifically, the Planning Proposal seeks to allow retail tenancies greater than 1,000sqm which are not permissible in the current LEP. The Planning Proposal would allow a mixed use development with ground floor commercial uses, including a supermarket, and approximately 400 residential apartments.

The site's proximity to the existing Villawood local centre and train station makes it a natural expansion of the centre to provide commercial and retail uses to support the local community. Recent planning amendments by Fairfield Council have increased development heights within the existing Villawood local centre B2 – Local Centre zoning and subject site. This has the potential to increase residential densities within the town centre. Further to this, Fairfield Council has recently proposed further planning amendments to surrounding residential areas, increasing development capacity significantly.

As such there is a clear need to understand the future retail needs of Villawood town centre’s surrounding community to ensure their needs are sufficiently met, reducing the need to travel to surrounding centres to access essential services. This is a clear planning direction of Fairfield Council and NSW Departments of Planning, Infrastructure and Environment (NSW DPIE) in their 30-minute concept.

The purpose of this report is to assess the retail demand resulting from Villawood town centre’s surrounding community and provide advice on what is an appropriate amount/mixture that the subject site could provide.

Figure 1: The Villawood town centre



Source: HillPDA

1.1 The Planning Proposal

As stated previously, the Planning Proposal seeks to amend the LEP in relation to the subject site to allow a mixed-use development with residential, retail and other commercial uses. Specifically it seeks to allow retail tenancies larger than 1,000sqm which are currently not permissible.

The Planning Proposal would provide around 400 residential dwellings with some commercial and retail space provided on the ground/ first floor. It is intended that this retail space consist of a supermarket and “eat street” which currently are either undersupplied or lacking in the town centre. The exact provision and possible composition of this commercial/retail space is the subject of this report.

1.2 Villawood town centre recent and proposed planning amendments

Fairfield Council adopted an urban design study for Villawood Town Centre in March 2018 (the study). Council increased permissible building heights across the centre, which includes the subject site, from its previous range of 10 to 26 metres to 20 to 30 metres. The study concluded that these amendments could yield upwards of 400 units on the subject site and a further 985 dwellings in the existing B2 – local centre zoning (identified in blue outline in the figure below). A total of almost 1,400 dwellings.

Currently, one development has occurred in this area, known as 888 which provides 71 dwellings and around 1,050sqm of shop front space. There is also a second development currently under construction known as Maple Village. This development will provide approximately 119 units and 1,340sqm of shop space. These two developments, combined with the subject site, results in 590 apartments, leaving a residual 395 potential dwellings. To be developed.

The study also identified an appropriate location for an anchor tenant which is located on the boundary of the subject site. This location would activate this location of the town centre and be suitable for community, commercial, supermarket and speciality retail space.

Figure 2: Villawood town centre development capacity and recent development



Source: HillPDA, CordellsConnect, development images from AD Group and Paig.com.au

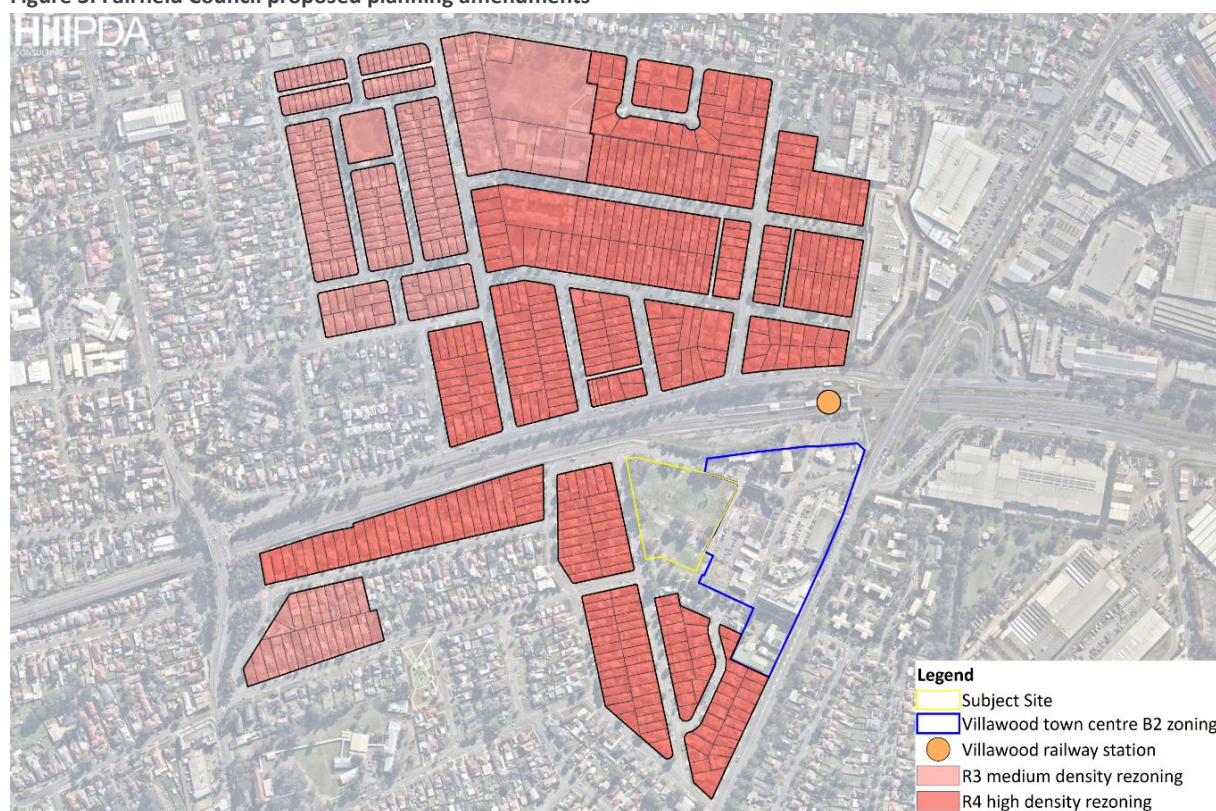
Fairfield Council has recently proposed planning amendments to the Fairfield Local Environmental Plan 2013. Of relevance to this study is the proposed rezoning’s surrounding Villawood town centre.

As seen in the figure below, there are two locations, north and south of the railway line, where land is being rezoned from R3 – medium density residential to an R4 – high density residential zone (identified in the figure below). In this area, it proposed that the allowable developable floor space (FSR) increase from 0.4:1 to 2:1. With a total land area of 25 hectares, if fully redeveloped, the developable Gross Floor Area (GFA) space is estimated at just under 500,000sqm. We have estimated that this floorspace could potentially yield 4,720 apartments¹ and a population of 10,765 residents². We have estimated this area currently contains a population of around 1,400 residents³, resulting in an additional 9,360 persons if fully redeveloped as a high-density area. This is a significant increase in the surrounding population.

There are also two locations where land is being rezoned from R2 low density residential to R3 medium density residential. However, it’s proposed that the FSR remains unchanged at 0:45. It is unlikely that any intensification of development will occur as the site costs associated with acquiring multiple detached dwellings are too high to achieve a viable redevelopment solution at FSR 0.45:1.

Council is expecting these planning amendments to be adopted in November 2020.

Figure 3: Fairfield Council proposed planning amendments



Source: HillPDA

¹ Assumed an efficiency of 85% to covert GFA to NLA and an average of 90sqm for each apartment

² Based on an average apartment occupancy of 2.4 – Fairfield community profile 2016 – occupied apartments and a 5% vacancy rate – also had some regard to Parramatta LGA average rate of 2.4 persons/apartment, Canterbury-Bankstown LGA at 2.5 and Concord West - North Strathfield SA2 which encompasses Rhodes at 2.5 persons per apartment as of 2016

³ Based on SA1 2016 population and dwelling stats for SA1 114802 and 1148005 remaining R4 areas estimated of number of lots and average persons per dwelling within analysed SA1s

1.3 Report structure

To meet the requirements of the project brief, the study is set out in the following manner:

- **Chapter 2** | undertakes a review of the surrounding retail environment around the subject site with a particular focus on surrounding centres and retail uses that would influence a potential trade area(s) for retail uses on the subject site.
- **Chapter 3** | defines a trade area(s) for the subject site in relation to surrounding retail centres and natural/artificial barriers. The Chapter also projects the resident population and workers and estimates retail expenditure.
- **Chapter 4** | quantifies the amount and type of retail and commercial floorspace that could be accommodated in the Planning Proposal without impacting upon the surrounding retail hierarchy or other retailers in the centre.
- **Chapter 5** | undertakes a review of childcare facilities within a five-kilometre radius of the subject site. The Chapter then projects the demand for such services to support the growing population.

2.0 COMPETITIVE RETAIL ENVIRONMENT

The following undertakes a review of the surrounding retail hierarchy around the Villawood town centre. This includes a review of centres that would likely influence a potential trade area and retail capture rates for various retail uses that could be provided in the centre and subsequent Planning Proposal.

2.1 Surrounding centres of influence

Understanding the local retail hierarchy and its competitive offer is an essential step in defining a trade area for the proposed centre. To help define this, we provide below a brief description of relevant centres in the locality.

The key centres that would influence the extent of Villawood town centre trade area(s) and the provision of retail space are as follows:

1. **Fairfield town centre:** is located around 3 kilometres or a 6-minute drive to the west of the subject site. Total retail space in the centre is estimated at around 85,000sqm⁴. Large retail facilities within the Fairfield town centre include:
 - Fairfield Forum, a sub-regional centre occupying some 17,700sqm of retail floorspace. Fairfield Forum is anchored by a Kmart discount department store of 4,848sqm as well as a Coles supermarket of 3,054sqm and an ALDI supermarket 1,625sqm. Some 55 retail specialty tenants are also provided. Total centre sales was recorded at \$90 million in 2017-18⁵.
 - Neeta City Shopping Centre, a sub-regional shopping centre anchored by Big W (6,858sqm) and a Woolworths (3,954sqm). The centre totals some 20,000 sqm of retail floorspace and includes a BWS bottle shop and some 90 retail specialty tenants. MAT in 2017 was \$80 million⁶.
2. **Guildford village:** is located around 4 kilometres or an 8-minute drive to the north of the subject site. Retailing uses in the centre are predominately located along both sides of Guildford Road between Railway Terrace and Bolton Street. The centre is anchored by a Supa IGA of some 1,300sqm and a Foodworks supermarket of 800sqm fronting Railway Terrace. Based on the HillPDA floorspace survey (May 2015) the centre contains 76 shopfront units and provides approximately 7,200sqm of retail-related shopfront floorspace. The centre contains a small bottle shop of an estimated 150sqm. In addition to the retail space is the Guildford Hotel and several medical services.
3. **Auburn town centre:** is located around 8 kilometres or a 20-minute drive to the north-east of the subject site. Auburn town centre was the largest centre within the former Auburn LGA. The centre provides a total of around 52,810sqm of retail floorspace⁷. The centre contains three main anchors being a Woolworths supermarket (3,650sqm), an ALDI (1,512sqm) and a Big W discount department store (7,159sqm). The centre contains three main shopping centres, these being; Auburn Central (17,624sqm occupied and 244sqm vacant); Auburn Shopping Arcade (2,024sqm occupied); AND Auburn Shopping Village (1,650sqm occupied and 2,188sqm vacant). A further 28,000sqm is provided in strip retailing.
4. **Berala village:** is located around 6.7 kilometres or a 17-minute drive to the east of the subject site. It is estimated that the centre provides around 10,300sqm of shop front space. The largest single provision of space is provided in Berala Shopping Centre at 4,340sqm. A Woolworths supermarket (3,690sqm), BWS (110sqm) and two convenience stores are provided in the centre.

⁴ Fairfield centres study 2015

⁵ PCA Shopping Centre Directory 2018 and Shopping Centre News 2019

⁶ PCA Shopping Centre Directory 2018

⁷ Auburn Employment Lands Strategy 2015

5. **Chester Hill:** is located around 2.3 kilometres or a 5-minute drive to the east of the subject site. It is estimated that the centre provides around 27,000sqm of shop front space. The largest single provision of space is provided in Chester Square, which provides a total of 8,260sqm and is anchored by a Woolworths (3,468sqm) and BSW (100sqm).
6. **Bass Hill:** is located around 3.3 kilometres or an 11-minute drive to the south-east of the subject site. The centre is comprised of a standalone shopping centre known as Bass Hill Plaza. The shopping centre provides 19,610sqm of floorspace and is anchored by a Woolworths (3,925sqm), ALDI (1,486sqm) and a BWS of around 110sqm. A further 45 speciality shops are also provided in the shopping centre.
7. **Cabramatta town centre:** is located around 4.5 kilometres or an 8-minute drive to the south-east of the subject site. It is estimated that around 60,000sqm of shopfront space is provided in the centre and contains a Woolworths supermarket of around 3,000sqm a BWS and two other liquor stores. The centre also plays an important unique southeast Asian role providing specialty food non-food products.
8. **Villawood town centre:** Villawood town centre contains the subject site, currently the centre provides an estimated 4,800sqm of retail shopfront space. The centre contains an ALDI supermarket of around 1,500sqm and two smaller specialised grocery stores. A further 1,340sqm is currently being developed in the Maple Village development. This would increase the size of the centre to around 6,150sqm.

Table 1: Centres of influence retail shopfront summary

Centre	Total sqm	Supermarket	Liquor store
Auburn town centre	52,800	Woolworths and ALDI	Bottlemart Express
Fairfield town centre	85,000	Woolworths, ALDI and Coles	BWS
Guildford	9,300	Supa IGA and food works	Guildford cellars
Berala village	10,300	Woolworths, two convenience stores	BWS
Chester Hill	27,000	Woolworths	BWS
Bass Hill	19,610	Woolworths and ALDI	BWS
Cabramatta	60,000	Woolworths	BWS, Valore Cellars and Cabramatta Bottler
Villawood	4,800	ALDI, Asian and island food and grocery	
Total	268,810		

Source: HillPDA

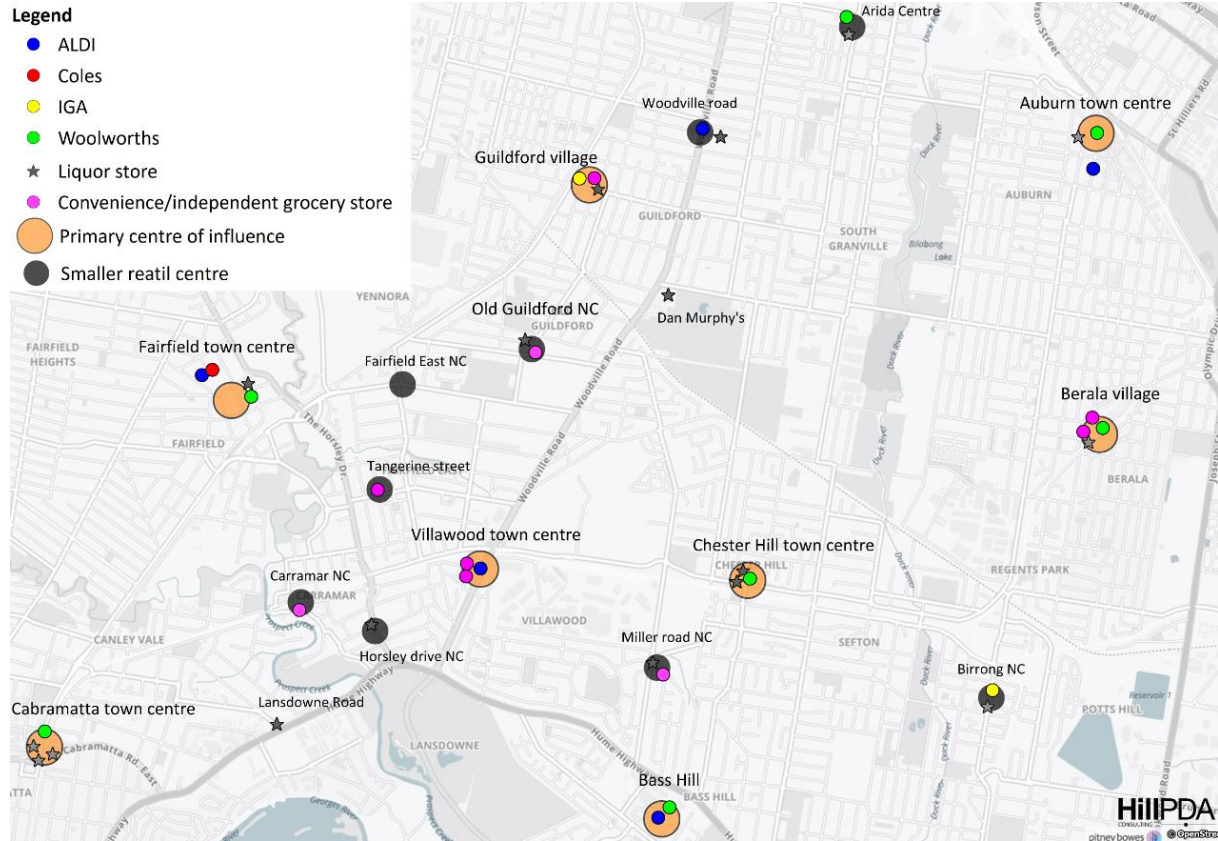
There are several other smaller or standalone shopping centres that would also influence Villawood's trade area or capture of trade. The majority of these are smaller neighbourhood centres which would service a small walking catchment around the centre. The exception to this is Arida Centre and Woodville Road which contain a Woolworths and ALDI supermarket between them. These smaller centres are summarised below.

Table 2: Smaller centres of relevance

Centre/location name	Total sqm	Supermarket	Bottle shop
Arida Centre	4,320	Woolworths	BWS
Birrong NC	1,910	Super IGA	IGA liquor plus
Carramar NC	2,400	Convenience store	
Fairfield East NC	2,800		
Guilford NC	645		
Horsley drive NC	4,000		Valore Cellars
Lansdowne Road	100		Independent liquor
Miller road NC	1,600		
Tangerine street	670	Asian grocery	
Woodville road	3,200	ALDI	Woodville Road Cellars
Total	21,645		

The above centres are visually represented in the figure below. Supermarket and liquor stores are also identified.

Figure 4: Surrounding retail hierarchy



Source: HillPDA

3.0 TRADE AREA ANALYSIS

The following Chapter derives a trade area for Villawood town centre. On deriving this trade area, the Chapter projects the resident population and workers and estimates retail expenditure.

3.1 Trade area identification

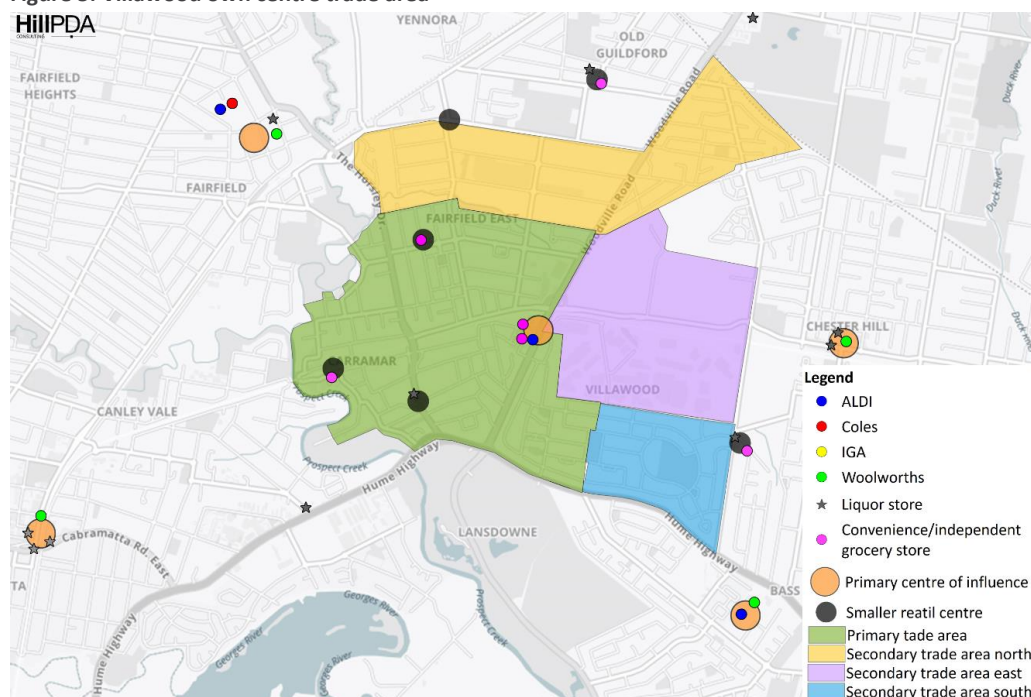
In defining a trade area served by the centre, we have considered the below:

- The strength and attraction of the centre, as determined by factors such as the composition, layout, ambience/atmosphere and car parking in the centre
- Competitive retail centres, particularly their proximity to the centre and respective sizes, retail offer and attraction
- The location and accessibility of the centre, including the available road and public transport network and travel times
- The presence or absence of physical barriers, such as rivers, railways, national parks and freeways.

Based on the surrounding retail environment, the composition of the centre, transport connections and presence of artificial/natural barriers, we have derived a main trade area (MTA) for the site comprising four sub-trade precincts. These are as follows:

- A **primary trade area (PTA)** – this area predominantly consists of Carramar suburb, part of Fairfield East suburb south of Landon and Malta Street and Villawood suburb west of Coolalie Street.
- A **secondary trade area north (STAN)** – this predominantly consists of the remaining part of Fairfield East suburb and Chester Hill north of Gurney Road.
- A **secondary trade area east (STAE)** – this predominantly consists of workers within Leightonfield Station employment precinct west of Miller Road. There is no residential population currently or forecast for this area.
- A **secondary trade area south (STAS)** – this consists of the remaining part of Villawood suburb between Coolalie Street and Miller Road.

Figure 5: Villawood own centre trade area



3.2 Trade area population projections

The following population and workforce projections have been sourced from:

- The ABS 2016 Census estimated residential population.
- Most recent small area population forecasts prepared by Population id (Fairfield LGA (2017) and Canterbury-Bankstown (2018)).

Please note that a review of the residential assumptions that were used by Population id in their forecasts revealed that the subject site's 400 dwellings were not included. As such, we have added this to the PTA's population estimate in 2026 with an assumption of 5% vacancy rate and average persons per dwelling of 2.4, resulting in a population of around 912 by 2026.

The assumptions also do not factor in the potential uplift from Council proposed rezoning's. We have also added this to the PTA's population assuming the planning amendments are legislated in 2020 and the first dwelling is built by 2024 with an average of 100 units per annum thereafter. This has been based on an average completions rate for apartments in Fairfield LGA of 155 per annum between 2013-2019 and an average of 325 dwellings per annum for all types over the period.

Based on these assumptions and an average occupancy rate of 2.4 per dwelling, the resulting population would be around 2,880 persons by 2036.

It is estimated that the MTA has a resident population of around 19,670 in 2020. Of this, the majority reside (67%) within the PTA. Over the next 16 years, the population is forecast to increase by around 5,620 persons, reaching a total of 25,290 residents. This growth represents an average annual compound growth rate of 1.6% across the MTA. This is just over the annual compound growth rate forecasted by the Department of Planning, Infrastructure and Environment for the wider Fairfield LGA (1.4%) over the same period.

This trade catchment of around 20,000 persons in 2020, incidentally corresponds to Villawood's identified role and function as a local centre within Fairfield's 2015 adopted Centres Study. This study identifies a local centre as typically serving a trade catchment of around 20,000 persons and providing 5-10,000sqm of retail space.

Table 3 below presents the population projections for both the Primary Trade Area (PTA) and the Secondary Trade Area (STA) outlined in Figure 5: Villawood own centre trade area. The PTA has an estimated residential population of 13,149 which is forecast to grow at an annual rate of approximately 2.1% to 18,389 by 2036. The STA is expected to experience a lower level of growth over the forecast period, growing from 6,521 persons in 2020 to 6,901 by 2036 (+0.4% per annum).

Table 3: Villawood MTA population projections

Sub-trade area	2020	2021	2026	2031	2036	Change	ACGR
PTA	13,149	13,962	15,968	16,645	18,389	5,240	2.1%
STAN	4,596	4,672	4,715	4,824	4,970	373	0.5%
STAE	0	0	0	0	0	0	
STAS	1,925	1,924	1,923	1,926	1,931	6	0.02%
Total STA	6,521	6,596	6,638	6,750	6,901	379	0.4%
Total MTA	19,670	20,558	22,607	23,395	25,290	5,620	1.6%

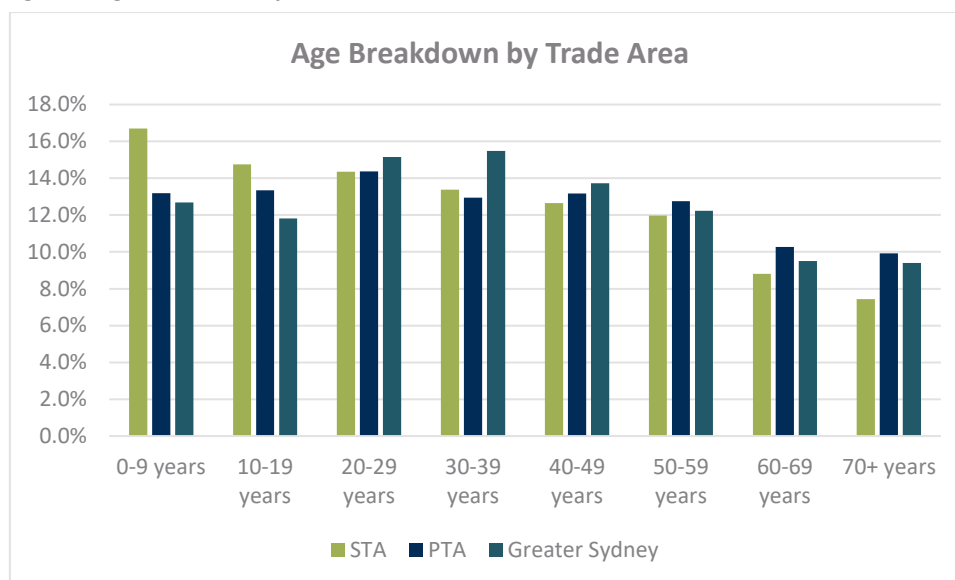
Source: Population id, HillPDA

3.3 Trade area population demographics

In assessing the key demographics across Trade Areas, 2016 Census data reveals that median age in the STA is slightly lower than that of the PTA (33 years v. 36 years). The PTA median age is in line with that of Greater

Sydney at 36 years. The difference in population ages between PTA and STA stems primarily from the greater percentage of individuals in the ‘0 – 19 years’ age bracket within the STA, as illustrated in Figure 6 below.

Figure 6: Age Breakdown by Trade Area



Source: ABS Census 2016

Regarding ethnicity, Table 4 below highlights the most popular countries of origin among the populations found within both trade areas and Greater Sydney. The PTA has a comparatively larger Australian born population relative to both the STA and Greater Sydney. The STA population exhibits greater cultural diversity than the PTA and Greater Sydney, with almost 30% of the population born in the Middle East or Mainland South-East Asia.

Table 4: Place of Birth by Trade Area

PTA		STA		Greater Sydney	
Country of Origin	Share (%)	Country of Origin	Share (%)	Country of Origin	Share (%)
Australia	62.3%	Australia	53.5%	Australia (includes External Territories)	59.7%
United Kingdom, Channel Islands and Isle of Man	7.0%	Middle East	15.2%	Chinese Asia (includes Mongolia)	6.1%
Mainland South-East Asia	4.5%	Mainland South-East Asia	13.7%	Southern Asia	5.1%
New Zealand	3.5%	Chinese Asia (includes Mongolia)	2.9%	United Kingdom, Channel Islands and Isle of Man	3.9%
Maritime South-East Asia	3.2%	Southern Asia	1.6%	Middle East	3.4%
Southern Asia	2.8%	South Eastern Europe	1.5%	Maritime South-East Asia	3.2%

Source: ABS Census 2016

3.4 Trade area worker projections

The following population and workforce projections have been sourced from TPA 2019 population projections. It is estimated that in 2016 there were around 3,344 persons currently working in Villawood town centre and the STAE. Assessment of 2016 JTW data revealed that none of these workers also lived in the MTA.

Over the next 16 years, it is estimated that workers in this area will increase by around 400 workers or 12%. We have assumed that the town centre would capture all of the workers in working within and around 50% of the

workers in the STAE. This was applied given the proximity and access to surrounding retail centres (Bass and Chester Hill). This would also allow for some proportion of workers also living within the MTA over the forecast period.

As such, workers potentially captured by the town centre on a daily basis could be around 1,765 workers in 2020, increasing to 2,120 by 2036.

For further context, Census data revealed that the PTA outlined above at the DZN level had approximately 1,585 employed persons in 2016.

Table 5: Employment forecasts 2020-2036

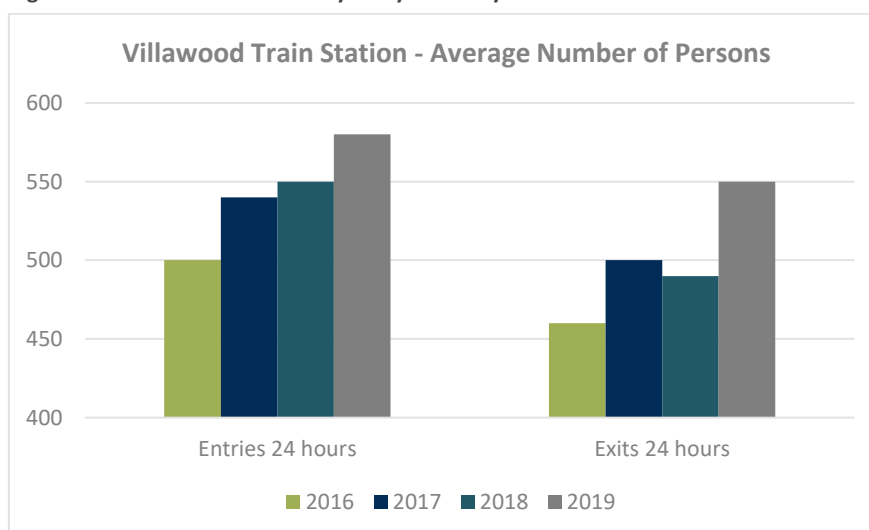
Sub-trade area	2020	2021	2026	2031	2036	Change
STAE	3,163	3,179	3,208	3,118	3,242	80
Town centre	181*	185	478**	487**	499**	317
Total	3,344	3,365	3,686	3,604	3,741	397
Captured by TC estimate	1,763	1,775	2,082	2,046	2,120	357

Source: TPA 2019, HillPDA - * Includes a worker estimate for the 888 development **includes worker estimate for Maple Village and subject site (assumed 7,000sqm for the subject site)

3.5 Villawood Train Station Traffic

From 2016 to 2019, Villawood Station has seen an increase in the average number of passengers touching on and off daily, reaching an average of 580 passengers entering the station and 550 leaving the station daily in 2019. Over the forecast period, growth in the daily passenger count is expected to be in line with the forecast population growth across the total Trade Area. As expected, the times with the highest level of traffic are aligned with work commuting habits (6:00am-10:00am and 3:00pm-7:00pm).

Figure 7: Villawood Station - Daily Entry and Exit Traffic



Source: NSW Department of Transport

3.6 Resident retail expenditure

This Section examines the projected growth in household retail expenditure within the main trade area between 2020 and 2036. Household expenditure was sourced from:

- ABS Household Expenditure Surveys which provide household expenditure by broad commodity type by household income quintile; and
- Marketinfo 2017 database which is generated by combining and updating data from the Population Census and the ABS Household Expenditure Survey (HES) using “microsimulation modelling techniques”.

The ABS Retail Survey 1998-99 (Cat No. 8624.0) provides a cross-tabulation of store type (defined by ANZIC), by commodity type. Multiplying the percentages in the cross-tabulation by total dollars spent generates household expenditure by retail store type.

HillPDA has combined several retail expenditure categories into the following four main sub-categories. These being:

- **Food, Liquor and Groceries (FLG)** – includes spending on fresh food, groceries and take-home liquor. FLG is the main category relevant to supermarket-based shopping expenditure and demand.
- **Food catering** – includes cafes, restaurants and fast/take-away food.
- **Non-Food** – includes apparel, homewares, bulky goods and general merchandise.
- **Personal services** – includes personal services such as hairdressers, beauty salons, massage parlour, optometrist and alike.

The MTA residents generated an estimated \$204 million in retail expenditure in 2020. This figure is forecast to increase to approximately \$296 million by 2036.

Of total retail expenditure in 2020, approximately \$87 million, or about 43%, was spent on supermarkets, take away liquor and grocery stores. Spending in this retail sub-category is forecast to almost increase by a quarter to around \$43 million or 49% by 2036.

For a detailed breakdown by the main trade areas sub-trade area precincts, please refer to Appendix A.

Table 6: Main trade area household retail expenditure (\$m)

MTA	2020	2024	2030	2036
FLG	87	100	113	130
Food Catering	29	34	38	44
Non-food	83	94	104	116
Services	4	5	6	6
Total Retailing	204	233	260	296

3.7 Workforce expenditure

Retail expenditure captured by the surrounding workforce is another import factor impacting the amount and type of retail space that could be accommodated in Villawood town centre.

Workers outside the CBD typically spend around 15-20% of their annual retail expenditure near their place of work depending on the level of retail offered. This expenditure is typically directed towards food and personal services and some groceries. Given the large amount of industrial and urban-service related jobs in the STAE, we have assumed a conservative rate of 15% of annual retail expenditure spent near their place of work.

Based on a high-level average Greater Sydney per capita annual retail expenditure of \$15,000 per annum, this annual worker retail spend, near their place of work, is estimated at \$2,250 per annum. This equates to around \$10 per working day for 46 working weeks.

It is estimated that the local non-resident workforce that would be captured by Villawood town centre would spend around \$4 million on retail items in 2020. This is forecast to increase to \$5.6 million by 2036.

4.0 RETAIL DEMAND ASSESSMENT

Having forecasted the total amount of retail expenditure generated in the main trade area, this Chapter quantifies the amount and type of retail floorspace that could be accommodated in Villawood town centre and subsequently Planning Proposal without impacting upon the surrounding retail hierarchy or other retailers in the centre.

4.1 Retail capture rates by broad store type

The previous analysis identified the total volume of retail expenditure in the MTA. However, not all of this expenditure will be captured by retailers in Villawood town centre. Reasons for this include:

- The proximity of surrounding centres which provide a greater range and quantum of retail floorspace
- Presence of small neighbourhood and village centres in the MTA which would capture some trade
- Residents leaving the locality to, predominantly, undertake discretionary shopping (in department stores, apparel stores and bulky goods stores elsewhere – such as Fairfield, Cabramatta, Auburn, Bankstown)
- Working residents spending a portion of annual retail expenditure close to their place of work (approximately 15-25%)
- Expenditure from residents who are on holidays/business trips or are away for other reasons for any extended period. This is counterbalanced to some extent by residents from outside the MTA visiting the town centre as they visit the area.

Capture rates (i.e. the proportion of expenditure captured by the site) have been adopted, considering the above factors. These market share assumptions are outlined in the following table and are indicative of retail services that appropriately provided for its surrounding community – in this case, the MTA, reducing their need to travel further to access essential services.

Table 7: Villawood town centre capture rates

Sub-category	PTA	STAN	STAS	Workers
FLG	64%	35%	30%	20%
Food Catering	57%	29%	30%	65%
Non-food	18%	9%	9%	
Services	65%	30%	33%	15%

4.2 Potential expenditure captured by Villawood town centre

Applying the above capture rates, around 37% of all expenditure generated by residents in the MTA could potentially be captured by retailers in Villawood town centre. This leaves 63% of expenditure being directed to smaller centres located in the MTA or surrounding larger centres outside the MTA such as Bankstown, Fairfield, Auburn and Merrylands.

From the above assumptions, retailers in Villawood town centre could potentially achieve total retail sales of around \$88 million in 2020, increasing to \$116 million by 2030 and \$134 million by 2036.

Table 8: Villawood town centre potential capture of MTA expenditure

MTA	2020	2024	2030	2036
FLG	53	62	71	82
Food Catering	18	21	24	28
Non-food	14	16	17	20
Services	3	4	4	5
Total Retailing	88	103	116	134

Source: HillPDA, includes an additional 10% capture of trade from beyond MTA

4.3 Demand for retail floorspace

In order to determine the demand for retail floorspace, target turnover rates (\$/sqm of retail floorspace, and otherwise known as Retail Turnover Densities (RTDs)) have been applied to projected retail expenditure captured by Villawood town centre. These RTD rates broadly represent industry averages.

Table 9: Potential retail floorspace demand– Villawood town centre (NLA)

Retail sub-category	Target Rate*	2020	2024	2030	2036	Change 2020-24	Change 2020-36
FLG	12,000	4,437	5,073	5,594	6,299	1,156	1,862
Food Catering	7,730	2,378	2,720	2,994	3,350	617	972
Non-food	5,602	2,419	2,726	2,932	3,221	513	802
Services	5,000	630	722	796	890	166	261
Total Retailing		9,864	11,241	12,316	13,760	2,452	3,897
Commercial space (say 20%)		1,973	2,248	2,463	2,752	490	779
Vacant space (say 5% target)		592	674	739	826	147	234
Total		12,428	14,164	15,518	17,338	3,089	4,910

* Sources: ABS Retail Survey 1998-99 (escalated to 2020 dollars), Urbis Retail Averages, Shopping Centre News, HillPDA and various consultancy studies.

By applying the above RTDs, it is estimated that Villawood centre potentially could support up to 9,850sqm Net Leasable Area (NLA) of occupied retail floorspace in 2020, increasing to around 12,300sqm NLA by 2030 and 13,750sqm NLA by 2036. Currently, around 4,400sqm of demand is attributed to FLG space, of which only an estimated 2,165sqm or just over half is currently provided. This is in the form of an ALDI supermarket, bakery, and two small specialist grocery stores. This implies that residents are likely required to travel outside to surrounding centres to undertake weekly grocery shopping at larger full-line supermarkets. By 2030, an additional 3,500sqm of FLG space could be supported in the centre increasing to just over 4,000sqm by 2036.

Typically, a centre of this size would have additional demand from non-retail commercial businesses providing financial, travel, medical and real estate services. This space occupied by non-retail uses ranges from 10-30% for a neighbourhood to local centres. We have applied a conservative additional 20% demand for non-retail occupiers. This equates to around 2,000sqm, increasing to 2,450sqm by 2030 and 2,750sqm by 2036.

Accounting for some level of vacancy across the centre it is estimated that the centre could potentially support up to 12,400sqm of total shop front floorspace, increasing to 15,500sqm by 2030 and 17,350sqm by 2036.

Please note that our demand modelling does not consider the full potential uplift in population resulting from Council's proposed high-density rezoning amendments. There is a further possible population increase of around 6,480 residents. Our demand modelling suggests that the MTA resident population generates demand for commercial and retail space within Villawood town centre at around 0.7sqm per resident in 2036. As such, this additional population could further increase space within the centre by 3,890sqm of which 1,940 is FLG space.

4.4 Supply and demand gap analysis

Villawood town centre currently provides a total of around 4,800sqm NLA of commercial and employment space with a further 1,340sqm under development. Our demand modelling suggests that the centre could support around 12,400sqm of commercial and retail space.

This indicates that the centre has a current undersupply of around 7,600sqm. With the development of Maple Village, this deficit is still forecast to increase to around 9,350sqm by 2030 and just under 11,200sqm by 2036.

This undersupply may encourage residents to travel greater distances to access essential commercial and retail services. This decreases the viability and vibrancy of Villawood town centre while also having negative impacts on social cohesion and the environment.

Development of the subject site to include retail and commercial services can contribute to the centre meeting some of this unmet demand, helping retain expenditure within the MTA, increase the centre's vibrancy and viability while also providing the type and quantity of services required to appropriately service the surrounding community.

Table 10: Villawood town centre supply and demand analysis (NLA)

Year	2020	2024	2030	2036
Supply	4,806	6,151	6,151	6,151
Demand	12,428	14,164	15,518	17,338
Over/undersupply (+/-)	-7,622	-8,013	-9,367	-11,187

4.5 Potential mixture of employment space in the subject site

This location was identified in Fairfield's Villawood town centre Urban Design Study 2017 as being an ideal location for an anchor tenant. This location would be suited for a main retail anchor with the creation of a supportive retail hub and vibrant eat street.

Villawood centre currently provides around 2,250sqm of FLG space. Our demand modelling suggests that the centre could support 4,400sqm of associated FLG space. This implies that there is an undersupply of around 2,200sqm. Due to population growth in the trade area this is likely to increase to around 4,000sqm by 2036 if there were no increase in supply.

This implies that the subject site could support a full-line supermarket (3,000-3,500sqm) with an ancillary liquor store. These uses would form an additional anchor tenant for the centre, provided an identified need and increasing visitation rates to the centre.

The supermarket could be supported by 1,000-1,500sqm of food catering space such as cafes, restaurants and take-away uses; 800-1,200sqm of non-food and personal services space and a further 1,000-1,200sqm of non-retail uses such as a gym, child care, community and medical services. This would result in between 6,000-7,600sqm NLA of commercial and retail space being provided on-site, increasing to around 6,600-8,400sqm GFA.

The addition of 6,000-7,600sqm NLA of space within the centre would still leave around a residual shortfall of between 3,600-5,190sqm NLA to be developed elsewhere in the centre by 2036.

This highlights that if the proposed 6,000-7,600sqm NLA was provided on-site, there would still be a demand for additional space to be developed elsewhere in the centre. Hence development of the site would not be creating an oversupply, adversely affecting other uses or development in the centre.

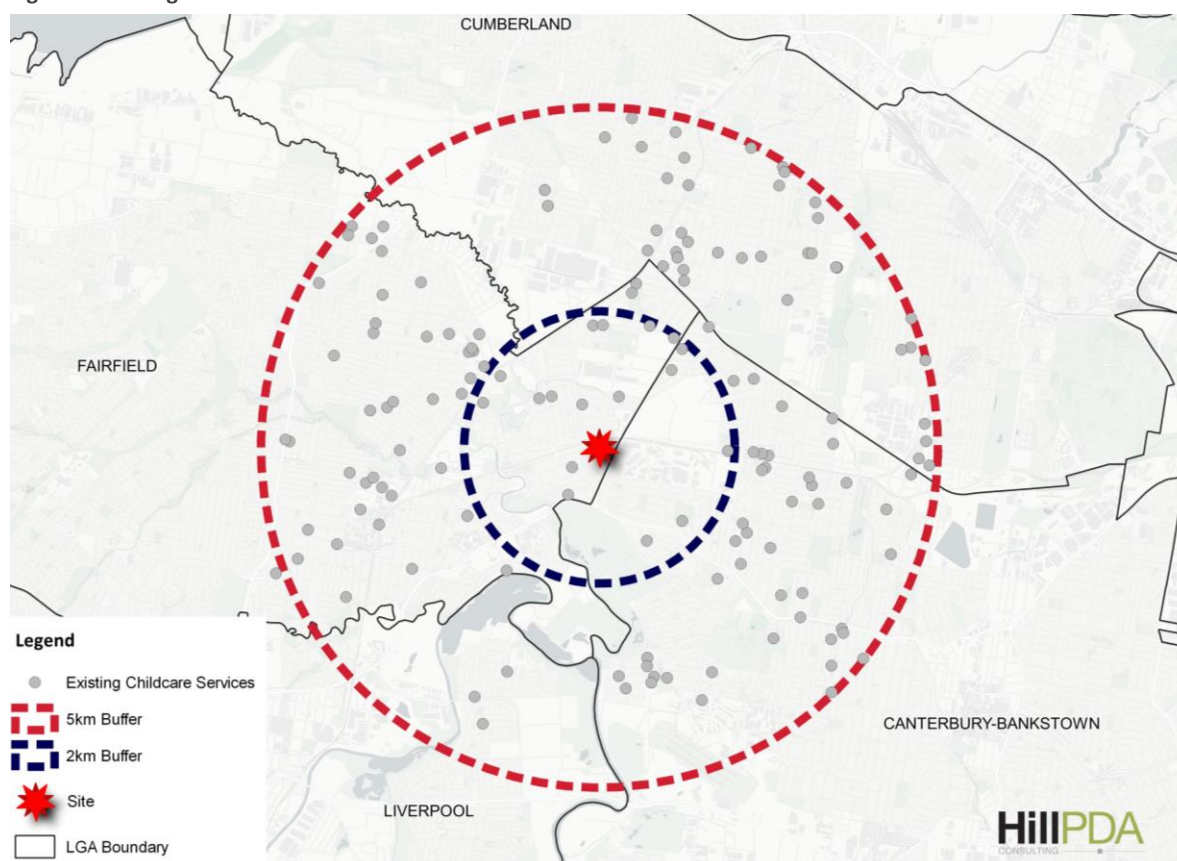
5.0 CHILCARE DEMAND ANALYSIS

The following chapter undertakes a market demand study for childcare services within five-kilometre radii of the subject site. The study area comprises of the Cumberland, Canterbury-Bankstown, Liverpool and Fairfield LGA's. In reviewing the approved capacity, vacancy and development pipeline the data will then be then benchmarked with population projects of children aged between 0 - 12 to identify market demand for childcare services within the region. This benchmarking will give an indication of the current supply's capacity to support the projected population growth.

5.1 Childcare demand analysis

There are 157 childcare services operating within the five-kilometre radius of the subject site, providing a total of around 7,275 childcare spaces. While 17 of these are located within two kilometres, providing around 705 childcare spaces.

Figure 8: Existing childcare services



Source: HillPDA

Table 11: Approved childcare services

Study Area	Number of Childcare Services	Approved Places
Within 2km	17	703
Within 5km	157	7,276

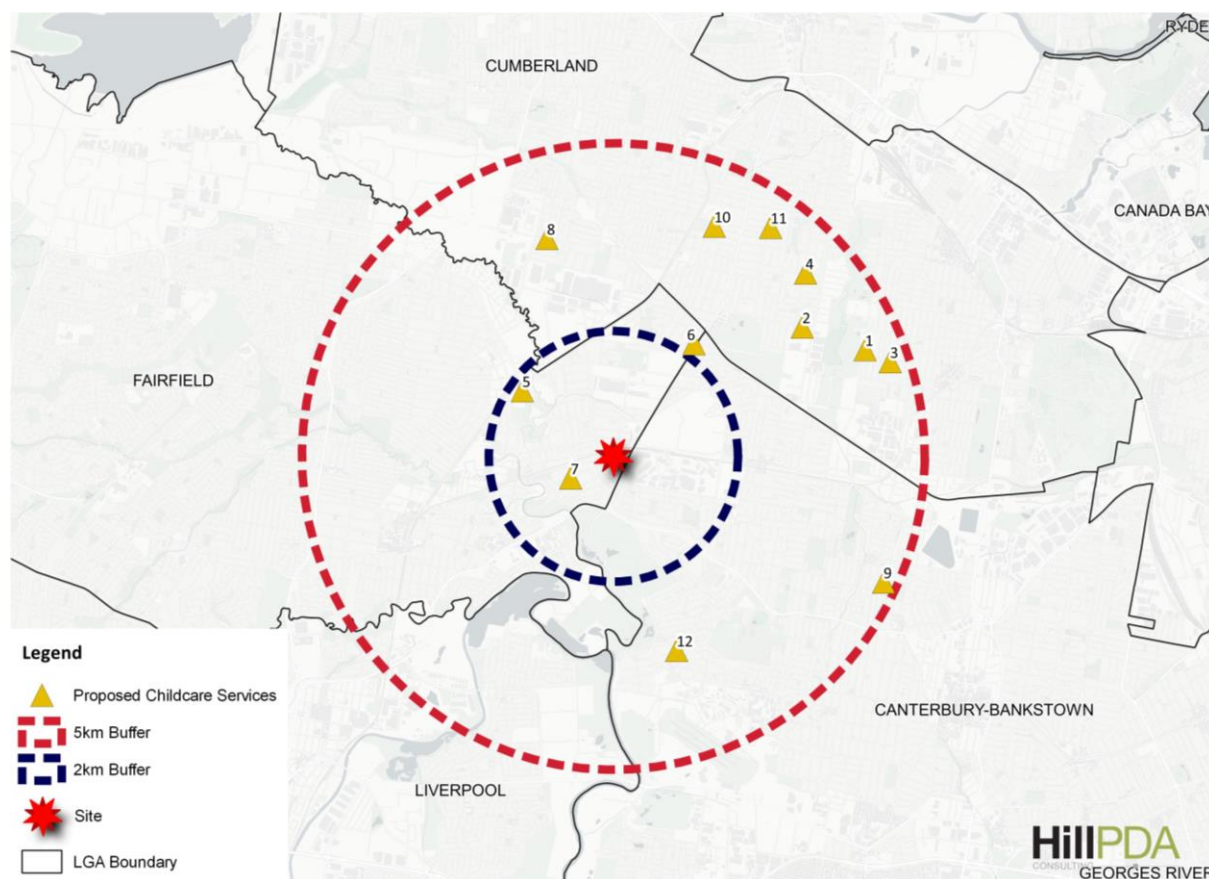
Source: Approved Services registered through ACECQA

5.2 Proposed facilities

The study found 11 proposed facilities with a total approved capacity of 714 additional childcare spaces. Two of the facilities lie within the two-kilometre radii of the subject site, making up 130 of the 714 additional approved places.

The figure below breaks down the location of the proposed facilities.

Figure 9: Proposed facilities



Source: HillPDA

The table below provides the address and proposed spaces within these facilities.

Table 12: Proposed facilities

ID	Address	Suburb	Postcode	Approved Places
1	244 Chisholm Rd	AUBURN	2144	48
2	22-24 Rawson Rd	GUILDFORD	2161	40
3	38-40 Albert Rd	AUBURN	2144	100
4	331 Blaxcell St	GRANVILLE	2142	92
5	20 Vine St & 4 Weston	FAIRFIELD	2165	70
6	624-628 Woodville Rd & 150 The Promenade	OLD GUILDFORD	2161	104
7	68-70 The Horsley Dr	CARRAMAR	2163	60
8	7 Pipehead Cr	GUILDFORD WEST	2161	45
9	230 Auburn Rd	YAGOONA	2199	55
10	63 McArthur St	GUILDFORD	2161	40
11	131 Excelsior St	MERRYLANDS	2160	60
	Total			714

Source: CordellsConnect

5.3 Demand for childcare spaces

The following applies industry-standard benchmarks to forecast the amount of childcare space required to support the population within five kilometres of the subject site. The first step is to understand the number of children aged 0-4 years currently and proposed to live within this area. Population estimates and projections have been sourced from Population id. This was undertaken at the small area level for those areas which corresponded to a five-kilometre radius from the site.

From this, it is estimated that there are currently 25,290 residents aged 0-4 years living within this area as of 2020. This is forecast to increase to around 27,910 residents by 2036. Demand for childcare spaces has been estimated at 1 space per 3 residents aged 0-4 years. Applying this benchmark to the study areas population reveals demand for 8,430 childcare spaces in 2020, increasing to 9,300 places by 2036.

Currently, there are 7,275 childcare spaces provided in the study area resulting in a deficit of 1,115 space. Even with some additional supply coming online with population growth, this deficit increases to almost 1,315 spaces by 2036.

Table 13: Supply and demand for childcare spaces within study area

	2020	2024	2030	2036
Population (0-4 years)	25,290	26,310	27,143	27,909
Demand (places)	8,430	8,770	9,048	9,303
Supply (spaces)	7,276	7,990*	7,990*	7,990*
Under/oversupply (-/+)	-1,154	-780	-1,058	-1,313

Source: Population id, HillPDA * includes approved pipeline

The subject sites locational attributes (being close to transport, community and other services) provide an opportunity for it to provide childcare services helping the locality meet some of this deficit without oversupplying the area, adversely affecting existing and proposed facilities.

APPENDIX A : HOUSEHOLD EXPENDITURE

The following are forecast household expenditure tables for each of the trade areas that constitute the MTA expenditure discussed in Chapter 3.

Table 14: Main trade area forecast household expenditure by trade area sub-precinct

PTA	2016	2020	2026	2031	2036
FLG	49	58	70	80	95
Food Catering	16	20	24	27	32
Non-food	49	56	66	74	84
Services	2	3	3	4	5
Total Retailing	117	137	162	185	216
STAN	2016	2020	2026	2031	2036
FLG	19	20	21	23	25
Food Catering	6	7	8	8	9
Non-food	19	20	21	22	23
Services	1	1	1	1	1
Total Retailing	46	49	51	55	59
STAS	2016	2020	2026	2031	2036
FLG	9	8	9	9	10
Food Catering	3	3	3	3	3
Non-food	9	8	8	8	9
Services	0	0	0	0	0
Total Retailing	21	19	20	21	22
STAE	2016	2020	2026	2031	2036
FLG	0	0	0	0	0
Food Catering	0	0	0	0	0
Non-food	0	0	0	0	0
Services	0	0	0	0	0
Total Retailing	0	0	0	0	0
MTA	2016	2020	2026	2031	2036
FLG	77	87	100	113	130
Food Catering	25	29	34	38	44
Non-food	77	83	94	104	116
Services	4	4	5	6	6
Total Retailing	184	204	233	260	296

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